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IDAHO PUBLIC
UTILITIES COMMISSION

October 14, 2013

VIA ELECTRONIC FILING

Ms. Jean Jewell, Commission Secretary
Idaho Public Utilities Commission
472 W. Washington Street
Boise, Idaho 83720-0074

Re: Direct Communications Rockland's FCC Form 481 – Carrier Annual Reporting Data Collection Form, in Compliance with 47 C.F.R. §§ 54.313 and 54.422

Dear Ms. Jewell:

On behalf of Direct Communications Rockland (the Company), attached is a copy of the Company's FCC Form 481 – Carrier Annual Reporting Data Collection Form, in compliance with 47 C.F.R. §§ 54.313 and 54.422.

The attached report is provided to the Idaho Public Utilities Commission (PUC) in accordance with 47 C.F.R. §§ 54.313(i) and 54.422(c).

Redacted financial information is included as an attachment to the FCC Form 481. A hard copy of the non-redacted confidential financial information that has been filed with the Federal Communications Commission (FCC) subject to a Protective Order, issued by the FCC on November 16, 2012, and the FCC's confidentiality rules, is also being submitted to the PUC, via overnight delivery, as confidential information that is exempt from disclosure under the Idaho Public Utilities Commission Rules of Procedure, Rule 67. The information is proprietary in nature and is not generally available to the public through regulatory disclosure or other means, and would give an advantage to a competitor if made public.

The Affidavit of Business or Corporate Officer is also attached.

If you have any questions or need additional information, please contact me at 209-955-6116 or via e-mail at Eric.Votaw@mossadams.com.

Sincerely,



Eric N. Votaw, Senior Manager
For Moss Adams

Enclosures

cc: Michael Parrish, Direct Communications Rockland
RJ DelMese, Moss Adams LLP

REDACTED- FOR PUBLIC INSPECTION

October 14, 2013

VIA OVERNIGHT DELIVERY

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, S.W.
Washington, DC 20554

RE: **Confidential Financial Information Subject to Protective Order in WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208, Before the Federal Communications Commission**

Dear Ms. Dortch:

Direct Communications Rockland , a privately-held rate of return carrier receiving high cost support, has electronically submitted FCC Form 481 to the Commission with redacted financial data, in compliance with 47 C.F.R. §§ 54.313 and 54.422

As specified in the Protective Order issued on November 16, 2012 by the Commission, two copies of the redacted confidential information are being filed simultaneously with the non-redacted confidential information. The redacted information for this filing and each page of the file where confidential information has been omitted is marked "REDACTED - FOR PUBLIC INSPECTION"

Please feel free to contact me with any questions regarding this particular matter.

Sincerely,



Eric N. Votaw, Senior Manager
For Moss Adams LLP

Enclosures

.cc Mr. Charles Tyler, FCC Telecommunications Access Policy Division
Idaho Public Utilities Commission

**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010> Study Area Code	472232
<015> Study Area Name	DIRECT COMM-ROCKLAND
<020> Program Year	2014
<030> Contact Name: Person USAC should contact with questions about this data	Bruce Steed
<035> Contact Telephone Number: Number of the person identified in data line <030>	208-548-2345
<039> Contact Email Address: Email of the person identified in data line <030>	bruce@directcom.com

ANNUAL REPORTING FOR ALL CARRIERS		54.313 Completion Required	54.422 Completion Required
<100> Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<200> Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report			
<300> Unfulfilled Service Requests (voice)	<input type="text" value="0"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<310> Detail on Attempts (voice)	(attach descriptive document)		
<320> Unfulfilled Service Requests (broadband)			
<330> Detail on Attempts (broadband)	(attach descriptive document)		
<400> Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410> Fixed	<input type="text" value="0.0"/>		
<420> Mobile	<input type="text" value="0.0"/>		
<430> Number of Complaints per 1,000 customers (broadband)			
<440> Fixed			
<450> Mobile			
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510> <input type="text" value="4722321d510"/>	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610> <input type="text" value="4722321d610"/>	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice)	(complete attached worksheet)		
<710> Company Price Offerings (broadband)	(complete attached worksheet)		
<800> Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)? <input checked="" type="radio"/> <input type="radio"/>	(if yes, complete attached worksheet)	<input checked="" type="checkbox"/>	
<1000> Voice Services Rate Comparability	(check to indicate certification)		
<1010> <input type="text" value=""/>	(attach descriptive document)		
<1100> Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/>	(if not, check to indicate certification)	<input checked="" type="checkbox"/>	
<1110>	(complete attached worksheet)		
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)		<input checked="" type="checkbox"/>

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	(check to indicate certification)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<2005>	(complete attached worksheet)		

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(100) Service Quality Improvement Reporting Data Collection Form		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
---	--	--

<010>	Study Area Code	472232
<015>	Study Area Name	DIRECT COMM-ROCKLAND
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Bruce Steed
<035>	Contact Telephone Number - Number of person identified in data line <030>	208-548-2345
<039>	Contact Email Address - Email Address of person identified in data line <030>	bruce@directcom.com
<110>	Has your company received its ETC certification from the FCC? If your answer to Line <110> is yes, do you have an existing "5 year plan" filed with the FCC?	<input type="radio"/> (yes / no) <input checked="" type="radio"/> (yes / no)
<111>		<input type="radio"/> (yes / no) <input checked="" type="radio"/> (yes / no)

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

Name of Attached Document (.pdf)

Please check these boxes below to confirm that the attached PDF, on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113> Maps detailing progress towards meeting plan targets
- <114> Report how much universal service (USF) support was received
- <115> How (USF) was used to improve service quality
- <116> How (USF) was used to improve service coverage
- <117> How (USF) was used to improve service capacity
- <118> Provide an explanation of network improvement targets not met in the prior calendar year.

OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	472232
<015>	Study Area Name	DIRECT COMM-ROCKLAND
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Bruce Steed
<035>	Contact Telephone Number - Number of person identified in data line <030>	208-548-2345
<039>	Contact Email Address - Email Address of person identified in data line <030>	bruce@direct.com.com

1/1/2013

<701>	Residential Local Service Charge Effective Date
<702>	Single State-wide Residential Local Service Charge

[illegible]

<010>	Study Area Code	472232
<015>	Study Area Name	DIRECT COMM-ROCKLAND
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Bruce Steed
<035>	Contact Telephone Number - Number of person identified in data line <030>	208-548-2345
<039>	Contact Email Address - Email Address of person identified in data line <030>	bruce@directcom.com

[illegible]

[illegible]

(900) Tribal Lands Reporting
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	472232
<015>	Study Area Name	DIRECT COMM-ROCKLAND
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Bruce Steed
<035>	Contact Telephone Number - Number of person identified in data line <030>	208-548-2345
<039>	Contact Email Address - Email Address of person identified in data line <030>	bruce@directcom.com

<910>	Tribal Land(s) on which ETC Serves	Port Hall Reservation
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<920>	Tribal Government Engagement Obligation	Name of Attached Document (.pdf)
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If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached PDF, on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

Select (Yes, No, NA)	
NA	
NA	
NA	
NA	
NA	
NA	
NA	
NA	
NA	
NA	

<921>	Needs assessment and deployment planning with a focus on Tribal community anchor institutions;
<922>	Feasibility and sustainability planning;
<923>	Marketing services in a culturally sensitive manner;
<924>	Compliance with Rights of way processes
<925>	Compliance with Land Use permitting requirements
<926>	Compliance with Facilities Siting rules
<927>	Compliance with Environmental Review processes
<928>	Compliance with Cultural Preservation review processes
<929>	Compliance with Tribal Business and Licensing requirements.

**(1100) No Terrestrial Backhaul Reporting
Data Collection Form**

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	472232
<015>	Study Area Name	DIRECT COMM-ROCKLAND
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Bruce Steed
<035>	Contact Telephone Number - Number of person identified in data line <030>	208-548-2345
<039>	Contact Email Address - Email Address of person identified in data line <030>	bruce@directcom.com

☐

<1120> Please check this box to confirm no terrestrial backhaul options exist within the supported area pursuant to § 54.313(G)

☒

<1130> Please check this box to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(G)

(1200) Terms and Condition for Lifeline Customers		FCC Form 481	
Lifeline		OMB Control No. 3060-0986/OMB Control No. 3060-0819	
Data Collection Form		July 2013	

<010>	Study Area Code	472232
<015>	Study Area Name	DIRECT COMM-ROCKLAND
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Bruce Steed
<035>	Contact Telephone Number - Number of person identified in data line <030>	208-548-2345
<039>	Contact Email Address - Email Address of person identified in data line <030>	bruce@directcom.com

<1210>	Terms & Conditions of Voice Telephony Lifeline Plans	472232id1210	Name of attached document (.pdf)
<1220>	Link to Public Website	HTTP	http://www.puc.idaho.gov/fileroom/tariff/tit1e61/DIRECT%20COMMUNICATIONS.pdf

"Please check these boxes below to confirm that the attached PDF, on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

<1221>	Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,	<input checked="" type="checkbox"/>
<1222>	Details on the number of minutes provided as part of the plan,	<input checked="" type="checkbox"/>
<1223>	Additional charges for toll calls, and rates for each such plan.	<input checked="" type="checkbox"/>

(2000) Price Cap Carrier Additional Documentation:**Data Collection Form****Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	472232
<015>	Study Area Name	DIRECT COMM-ROCKLAND
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Bruce Steed
<035>	Contact Telephone Number - Number of person identified in data line <030>	208-548-2345
<039>	Contact Email Address - Email Address of person identified in data line <030>	bruce@direct.com

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

- <2010> 2nd Year Certification (47 CFR § 54.313(b)(1)) ☒
- <2011> 3rd Year Certification (47 CFR § 54.313(b)(2)) ☒

Price Cap Carrier Receiving Frozen Support Certification (47 CFR § 54.312(a))

- <2012> 2013 Frozen Support Certification ☒
- <2013> 2014 Frozen Support Certification ☐
- <2014> 2015 Frozen Support Certification ☐
- <2015> 2016 and future Frozen Support Certification ☐

Price Cap Carrier Connect America ICC Support (47 CFR § 54.313(d))

<2016> Certification Support Used to Build Broadband ☒

Connect America Phase II Reporting (47 CFR § 54.313(e))

- <2017> 3rd year Broadband Service Certification ☐
- <2018> 5th year Broadband Service Certification ☐
- <2019> Interim Progress Certification ☐

<2020> Please check the box to confirm that the attached PDF, on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

<2021> Interim Progress Community Anchor Institutions

Name of Attached Document Listing Required Information

(3000) Rate of Return Carrier Additional Documentation		FCC Form 481
Data Collection Form		OMB Control No. 3060-0086/OMB Control No. 3060-0819
		July 2013

<010>	Study Area Code	472232
<015>	Study Area Name	DIRECT COMM-RUCKLAND
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Bruce Stead
<035>	Contact Telephone Number - Number of person identified in data line <030>	208-548-2345
<039>	Contact Email Address - Email Address of person identified in data line <030>	bruce@direct.com.com

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

Progress Report on 5 Year Plan

(3010) Milestone Certification (47 CFR § 54.313(f)(1)(i))
Please check this box to confirm that the attached PDF, on line 3012, contains the required information pursuant to § 54.313(f)(1)(i), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

(3011) Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))
Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2)) If yes, does your company file the RUS annual report
Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

(3012) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)
(3013) PDF of Balance Sheet, Income Statement and Statement of Cash Flows
(3014) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

(3015) If the response is no on line 3014, is your company audited?
If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains

(3016) Either a copy of their audited financial statement or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications
(3017) PDF of Balance Sheet, Income Statement and Statement of Cash Flows
(3018) Management letter issued by the independent certified public accountant that performed the company's financial audit.

(3019) If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:
(3020) Copy of their financial statement which has been subject to review by an independent certified public accountant, or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers,
(3021) Underlying information subjected to a review by an independent certified public accountant

(3022) Underlying information subjected to an officer certification.
(3023) PDF of Balance Sheet, Income Statement and Statement of Cash Flows
(3024) Attach the worksheet listing required information

(3025) Name of Attached Document Listing Required Information

(3026) Name of Attached Document Listing Required Information

(3027) Name of Attached Document Listing Required Information

(3028) Name of Attached Document Listing Required Information

(3029) Name of Attached Document Listing Required Information

(3030) Name of Attached Document Listing Required Information

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	472232
<015>	Study Area Name	DIRECT COMM-ROCKLAND
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Bruce Steed
<035>	Contact Telephone Number - Number of person identified in data line <030>	208-548-2345
<039>	Contact Email Address - Email Address of person identified in data line <030>	bruce@directcom.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	DIRECT COMM-ROCKLAND
Signature of Authorized Officer:	CERTIFIED ONLINE Date 10/14/2013
Printed name of Authorized Officer:	Jeremy Smith
Title or position of Authorized Officer:	General Manager
Telephone number of Authorized Officer:	208-548-2345
Study Area Code of Reporting Carrier:	472232 Filing Due Date for this form: 10/15/2013
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**Certification - Agent / Carrier
Data Collection Form**

 FCC Form 481
 OMB Control No. 3050-0986/OMB Control No. 3060-0819
 July 2013

<010>	Study Area Code	472232
<015>	Study Area Name	DIRECT COMM-ROCKLAND
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Bruce Steed
<035>	Contact Telephone Number - Number of person identified in data line <030>	208-548-2345
<039>	Contact Email Address - Email Address of person identified in data line <030>	bruce@directcom.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent: _____	
Name of Reporting Carrier: _____	
Signature of Authorized Officer: _____	Date: _____
Printed name of Authorized Officer: _____	
Title or position of Authorized Officer: _____	
Telephone number of Authorized Officer: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier: _____	
Name of Authorized Agent or Employee of Agent: _____	
Signature of Authorized Agent or Employee of Agent: _____	Date: _____
Printed name of Authorized Agent or Employee of Agent: _____	
Title or position of Authorized Agent or Employee of Agent: _____	
Telephone number of Authorized Agent or Employee of Agent: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Direct Communications Rockland understands and complies with the Idaho Public Utilities Commission's *Telephone Customer Relations Rules*, IDAPA 31.41.01, adopted under the general legal authority of the Public Utilities Law, Chapters 1 through 7, Title 61, Idaho Code, and the Telecommunications Act of 1988, Chapter 6, Title 62, Idaho Code, with regards to service. These telephone customer relations rules provide a set of fair, just, reasonable, and non-discriminatory rules regarding deposits, guarantees, billing, application for service, denial of service, termination of service, complaints to telephone companies, billing for interrupted service, and provisions of certain information about customer to authorities.

Direct Communications Rockland provides CPNI and Redflag training on a regular annual basis for all employees. Training is also provided for all new employees.

Direct Communications Rockland has CPNI signage posted for customer awareness purposes.

Pursuant to 47 C.F.R. § 54.313(a)(6) and/or 47 C.F.R § 54.422(b)(4) as set forth in 47 C.F.R. § 54.202(a)(2) Direct Communications Rockland meets the requirements to remain functional in emergency situations and has the following capabilities: Back-up power is provided to Direct Communications Rockland's central and or remote office(s) by use of fixed generator and batteries that provide it with XX hours of emergency power service. In addition, Direct Communications Rockland's field electronics have 6-8 hours of back-up power by use of fixed/mobile generators and batteries. Direct Communications Rockland has no SONET technology in its network. Direct Communications Rockland has no redundant paths within its network to provide for the capability to reroute traffic Direct Communications Rockland has equipped its remote offices/or field gear with Emergency Stand Alone technology that will provide for call completion and access to 911 in emergency situations. Direct Communications Rockland is capable of managing traffic spikes resulting from emergency situations.

Direct Communications, Inc.

Lifeline Assistance Program

1. The lifeline Assistance Program is a plan that assists qualified low-income applicants with reductions in their monthly local exchange service rate. The assistance applies for a single telephone line at the applicant's principal place of residence. Qualified applicants shall have their monthly local exchange service rate reduced up to \$12.75
2. Eligibility Requirements: You must contact the Idaho Department of Health and Welfare to determine eligibility and to obtain an application.
3. Application for Assistance: To apply for Lifeline, contact the Idaho Department of Health and Welfare to obtain an application. If you are eligible, your name and telephone number will be forwarded to the telephone company. The monthly discount will begin within 60 days if your name and telephone number match the telephone company's records.
4. The lifeline Assistance Program is a plan that assists qualified low-income applicants with reductions in their monthly local exchange service rate. The assistance applies for a single telephone line at the applicant's principal place of residence. Qualified applicants shall have their monthly local exchange service rate reduced up to \$12.75
5. Eligibility Requirements: You must contact the Idaho Department of Health and Welfare to determine eligibility and to obtain an application.
6. Application for Assistance: To apply for Lifeline, contact the Idaho Department of Health and Welfare to obtain an application. If you are eligible, your name and telephone number will be forwarded to the telephone company. The monthly discount will begin within 60 days if your name and telephone number match the telephone company's records.

Rates: The Lifeline customer will receive a monthly credit up to \$12.75 toward their local exchange service rate.

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	<i>This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.</i> BORROWER NAME Direct Communications, Rockland (Prepared with Audited Data)	
<i>INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.</i>	PERIOD ENDING December, 2012	BORROWER DESIGNATION ID0513

CERTIFICATION We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief. ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES. DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII <i>(Check one of the following)</i>	
<input checked="" type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects.	<input type="checkbox"/> There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report
Garrin Bott	4/26/2013 DATE

PART A. BALANCE SHEET					
ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS	Redacted		CURRENT LIABILITIES	Redacted	
1. Cash and Equivalents			25. Accounts Payable		
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits		
b. Other Accounts Receivable			29. Current Mat. L/T Debt		
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued		
c. Notes Receivable			34. Other Current Liabilities		
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)		
6. Material-Regulated			LONG-TERM DEBT		
7. Material-Nonregulated			36. Funded Debt-RUS Notes		
8. Prepayments			37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)			39. Funded Debt-Other		
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Reacquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development			46. Total Long-Term Debt (36 thru 45)		
13. Nonregulated Investments			OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities		
15. Deferred Charges			48. Other Deferred Credits		
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)			50. Total Other Liabilities and Deferred Credits (47 thru 49)		
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-in-Service			51. Cap. Stock Outstand. & Subscribed		
19. Property Held for Future Use			52. Additional Paid-in-Capital		
20. Plant Under Construction			53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation			55. Other Capital		
23. Net Plant (18 thru 21 less 22)			56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins		
			58. Total Equity (51 thru 57)		
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)		

Total Equity = **ReRe** % of Total Assets

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION	
	ID0513	
	PERIOD ENDING	
INSTRUCTIONS- See RUS Bulletin 1744-2	December, 2012	

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	Redacted	
2. Network Access Services Revenues		
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues		
5. Miscellaneous Revenues		
6. Uncollectible Revenues		
7. Net Operating Revenues (1 thru 5 less 6)		
8. Plant Specific Operations Expense		
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		
10. Depreciation Expense		
11. Amortization Expense		
12. Customer Operations Expense		
13. Corporate Operations Expense		
14. Total Operating Expenses (8 thru 13)		
15. Operating Income or Margins (7 less 14)		
16. Other Operating Income and Expenses		
17. State and Local Taxes		
18. Federal Income Taxes		
19. Other Taxes		
20. Total Operating Taxes (17+18+19)		
21. Net Operating Income or Margins (15+16-20)		
22. Interest on Funded Debt		
23. Interest Expense - Capital Leases		
24. Other Interest Expense		
25. Allowance for Funds Used During Construction		
26. Total Fixed Charges (22+23+24-25)		
27. Nonoperating Net Income		
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income		
31. Total Net Income or Margins (21+27+28+29+30-26)		
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year		
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		
38. Transfers to Patronage Capital		
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]		
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
43. Patronage Capital End-of-Year (40+41-42)		
44. Annual Debt Service Payments		
45. Cash Ratio [(14+20-10-11) / 7]		
46. Operating Accrual Ratio [(14+20+26) / 7]		
47. TIER [(31+26) / 26]		
48. DSCR [(31+26+10+11) / 44]		

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS <i>INSTRUCTIONS - See RUS Bulletin 1744-2</i>						BORROWER DESIGNATION ID0513 PERIOD ENDED December, 2012	
Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION							
	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
EXCHANGE	B-1	R-1	BUSINESS	RESIDENTIAL	TOTAL	TOTAL (including fiber)	FIBER
	(a)	(b)	(a)	(b)	(c)	(a)	(b)
Rockland	Redacted						
Paris							
Arbon							
MobileWireless							
Route Mileage Outside Exchange Area							
Total							
No. Exchanges	3						

REDACTED FOR PUBLIC INSPECTION

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS <i>INSTRUCTIONS - See RUS Bulletin 1744-2</i>						BORROWER DESIGNATION ID0513 PERIOD ENDED December, 2012		
Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION								
4. BROADBAND SERVICE								
Details on Least Expensive Broadband Service								
EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (g)	Type Of Technology (h)
Rockland	Redacted							
Paris								
Arbon								
Total								

REDACTED FOR PUBLIC INSPECTION

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION ID0513 PERIOD ENDING December, 2012
INSTRUCTIONS- See RUS Bulletin 1744-2	

PART D. SYSTEM DATA				
1. No. Plant Employees 11	2. No. Other Employees 11	3. Square Miles Served 1,199	4. Access Lines per Square Mile .84	5. Subscribers per Route Mile 1.50

PART E. TOLL DATA	
1. Study Area ID Code(s) a. 472232 b. _____ c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____	2. Types of Toll Settlements (Check one) Interstate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis Intrastate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis

PART F. FUNDS INVESTED IN PLANT DURING YEAR	
1. RUS, RTB, & FFB Loan Funds Expended	Redacted
2. Other Long-Term Loan Funds Expended	
3. Funds Expended Under RUS Interim Approval	
4. Other Short-Term Loan Funds Expended	
5. General Funds Expended (Other than Interim)	
6. Salvaged Materials	
7. Contribution in Aid to Construction	
8. Gross Additions to Telecom. Plant (1 thru 7)	

PART G. INVESTMENTS IN AFFILIATED COMPANIES					
INVESTMENTS (a)	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year (b)	Income/Loss This Year (c)	Cumulative Investment To Date (d)	Cumulative Income/Loss To Date (e)	Current Balance (f)
1. Investment in Affiliated Companies - Rural Development	Redacted				
2. Investment in Affiliated Companies - Nonrural Development					

REDACTED FOR PUBLIC INSPECTION

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION ID0513 PERIOD ENDING December, 2012
PART H. CURRENT DEPRECIATION RATES	
Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one)	
<input checked="checked" type="checkbox"/> YES <input type="checkbox"/> NO	
EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	Redacted
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	
4. Land and support assets - Garage and other work equipment	
5. Land and support assets - Buildings	
6. Land and support assets - Furniture and Office equipment	
7. Land and support assets - General purpose computers	
8. Central Office Switching - Digital	
9. Central Office Switching - Analog & Electro-mechanical	
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	
12. Central Office Transmission - Circuit equipment	
13. Information origination/termination - Station apparatus	
14. Information origination/termination - Customer premises wiring	
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	
17. Information origination/termination - Other terminal equipment	
18. Cable and wire facilities - Poles	
19. Cable and wire facilities - Aerial cable - Metal	
20. Cable and wire facilities - Aerial cable - Fiber	
21. Cable and wire facilities - Underground cable - Metal	
22. Cable and wire facilities - Underground cable - Fiber	
23. Cable and wire facilities - Buried cable - Metal	
24. Cable and wire facilities - Buried cable - Fiber	
25. Cable and wire facilities - Conduit systems	
26. Cable and wire facilities - Other	

REDACTED FOR PUBLIC INSPECTION

USDA-RUS		BORROWER DESIGNATION
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		ID0513
		PERIOD ENDED December, 2012
INSTRUCTIONS – See help in the online application.		
PART I – STATEMENT OF CASH FLOWS		
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)		Redacted
CASH FLOWS FROM OPERATING ACTIVITIES		
2. Net Income		
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>		
3. Add: Depreciation		
4. Add: Amortization		
5. Other (Explain)		
<i>Changes in Operating Assets and Liabilities</i>		
6. Decrease/(Increase) in Accounts Receivable		
7. Decrease/(Increase) in Materials and Inventory		
8. Decrease/(Increase) in Prepayments and Deferred Charges		
9. Decrease/(Increase) in Other Current Assets		
10. Increase/(Decrease) in Accounts Payable		
11. Increase/(Decrease) in Advance Billings & Payments		
12. Increase/(Decrease) in Other Current Liabilities		
13. Net Cash Provided/(Used) by Operations		
CASH FLOWS FROM FINANCING ACTIVITIES		
14. Decrease/(Increase) in Notes Receivable		
15. Increase/(Decrease) in Notes Payable		
16. Increase/(Decrease) in Customer Deposits		
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)		
18. Increase/(Decrease) in Other Liabilities & Deferred Credits		
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital		
20. Less: Payment of Dividends		
21. Less: Patronage Capital Credits Retired		
22. Other (Explain)		
23. Net Cash Provided/(Used) by Financing Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
24. Net Capital Expenditures (Property, Plant & Equipment)		
25. Other Long-Term Investments		
26. Other Noncurrent Assets & Jurisdictional Differences		
27. Other (Explain)		
Net Capital Expenditures does not reflect impact of retirements and adjustments to capital accounts		
28. Net Cash Provided/(Used) by Investing Activities		
29. Net Increase/(Decrease) in Cash		
30. Ending Cash		

Revision Date 2010

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USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION ID0513
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2012
NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	

REDACTED FOR PUBLIC INSPECTION

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION ID0513
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2012
CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	

State of Idaho)
) ss
County of Power

CERTIFICATION BY ELIGIBLE TELECOMMUNICATIONS CARRIER
OF COMPLIANCE WITH SERVICE QUALITY AND CUSTOMER
PROTECTION, ABILITY TO REMAIN FUNCTIONAL IN EMERGENCIES,
AND USE OF FEDERAL HIGH-COST SUPPORT.

AFFIDAVIT OF BUSINESS OR CORPORATE OFFICER

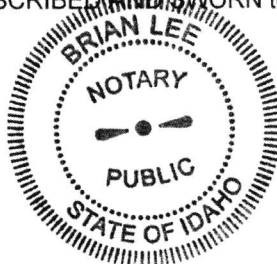
The Idaho Public Utilities Commission Order No. 29841 requires that Eligible Telecommunications Carriers certify that it is compliant with applicable service quality standards and consumer protection rules; and ETCs must demonstrate the ability to remain functional in emergencies. In addition, the Commission must file an annual certification with the USAC and the FCC that all federal high-cost support provided to ETCs within the State of Idaho will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. Accordingly, the undersigned states and verifies under oath the following:

1. I am an officer of Direct Comm. Rockland an eligible telecommunications carrier for receiving federal universal service support under section 214(e) of the Telecommunications Act of 1996 in the state of Idaho.
2. I am familiar with the Company's day-to-day operations in the state of Idaho and with the State's service quality standards and consumer protection rules as set forth in Commission Order No. 29841.
3. Direct Comm. Rockland is complying with applicable service quality standards and consumer protection rules of the Federal Communications Commission and the Idaho Public Utilities Commission.
4. I certify to the Commission that the Company is able to remain functional in emergencies as set forth in Commission Order No. 29841 and in 47 C.F.R. § 54.201(a)(2).
5. I also certify that all federal universal service support funds received by Direct Comm. Rockland during the current calendar year will be used in a manner consistent with section 254(e); that is, for the provision, maintenance, and upgrading of facilities and services for which the support is intended. The company will continue to comply for the period of January 1, 2013, through December 31, 2013, to be eligible for federal universal service fund support.
6. This verification and affidavit is provided to be the Idaho Public Utilities Commission to enable the IPUC to certify to the FCC that federal universal service support received by the eligible carriers in the state will be used in a manner consistent with Section 254(e) of the Telecommunications Act.
- 7.

Jeremy Smith/General Manager
Name/Title

10/14/2013
Date

SUBSCRIBED AND SWORN to before me this 14 day of August 2013



Brian Lee
Notary Public for Idaho, residing at 260 E. Shoshone St, Rockland, ID
My Commission expires 06/11/2016